



Impact Fees - FAQ

Frequently Asked Questions

What are “Impact Fees”?

Impact fees represent a calculation of the impact that the development of land has on the City's public infrastructure system. The basic premise of impact fees is that development of land for residential, commercial or industrial use will have a measurable capacity impact on the City's water and wastewater system. The resulting financial impact of this new capacity should be funded directly by the development itself and not burden existing taxpayers or ratepayers to fund the cost of new development through higher rates or taxes. Chapter 395 of the Texas Water Code outlines the specific process that a City must follow in order to calculate and implement impact fees.

When did the City adopt impact fees?

The City adopted the final reading of the ordinance on November 20, 2006. Impact fees are effective on November 21, 2006.

For property that was already platted on November 21, 2006, permits are “grandfathered” for a one year period, meaning that no impact fees will be assessed until November 21, 2007. For new plats, impact fees will be effective immediately.

When are impact fees assessed?

Impact fees are **assessed** at the time of the plat recording and **collected** with the issuance of the building permit for all land within the corporate boundaries of the City. For land platted outside the corporate boundaries of the City, the impact fees are collected at the time an application for an individual water or wastewater connection is filed.

What are the City's impact fees?

Calculations for the impact fee are based upon the size of the water meter and the “service units” associated with the size of the meter. The following table represents water meter sizes are service units, as adopted November 20, 2006:

Meter Size (Inch)	Service Units	Water Fee	Wastewater Fee
5/8	1.00	\$4,363.00	\$1,068.00
3/4	1.5	\$6,544.50	\$1,602.00
1	2.5	\$10,907.50	\$2,670.00

1.5	5	\$21,815.00	\$5,340.00
2	8	\$34,904.00	\$8,544.00
3	15	\$65,445.00	\$16,020.00
4	25	\$109,075.00	\$26,700.00
6	80	\$349,040.00	\$85,440.00
8	140	\$610,820.00	\$149,520.00
10	220	\$959,860.00	\$234,960.00

Can a developer get a waiver of impact fees?

The City Council, by a majority vote, may adopt an ordinance or resolution to waive or reduce impact fees for a certain class of development, or a specific development if there is a finding that the proposed waiver or reduction will result in substantial economic benefit to the City.

What is the difference between a tap or connection fee and the impact fee?

The tap (or connection) fee allows the City to recover the cost of installing a tap or connection to a water main, the service line to the property and the water meter. This cost may include the cost of labor, materials, vehicles, administration and paving. Impact fees represent the cost of future infrastructure system improvements that are needed to sustain growth.